Honorable Matia Kasaija
Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development
P.O. Box 8147
Plot 2-12 Apollo Kaggawa Road
Kampala, Uganda

Re: Grant No. TFA0B1167
Republic of Uganda: Firm Data Generation Project
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Uganda ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Partnership for Support to the Implementation of Uganda’s National Development Plan II Multi-Donor Trust-Fund, proposes to extend to the Recipient a grant in an amount not to exceed three hundred twenty thousand United States Dollars (USD 320,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

[Remainder of page left intentionally blank]
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement and returning it to the World Bank.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By _,
Antony Thompson
Country Manager for Uganda
Africa Region

AGREED:
REPUBLIC OF UGANDA

By
Authorized Representative

Name
Maria Kasaija

Title
Hon. Minister of Finance, Planning and Economic Development

Date
21\textsuperscript{st} March 2020

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017
Article I
Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement and the following terms have the following meanings:

(a) "UBOS" means Uganda Bureau of Statistics, established by the Uganda Bureau of Statistics Act No. 2 of June 11, 1998, as may have been amended.

(b) "Training" means expenditures incurred to finance the reasonable cost of the following items related to the training and workshop to be provided under the Project: (i) transportation, accommodation and per diem of trainees, (ii) rent of training facilities; and (iii) preparation, acquisition, reproduction and distribution of training materials.

(c) Operating Costs means the incremental operating costs under the project incurred by the Recipient for purposes of the implementation, management, and monitoring and evaluation of the project on account of office supplies and consumables, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance and insurance, office space rental, equipment maintenance, travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to enhance the availability of data for evidence-based policymaking to support private sector development in the Recipient’s territory.

The Project consists of the following Parts:

Part 1: Updated Census of Business Establishments

Carrying out a census to collect data on the number of establishments in the Recipient’s territory, as well as key enterprise-level information including size, sector and location.

Part 2: Business Inquiry Including Access to Finance

Carrying out an analysis of data on access to finance, employment, productivity of firms in growth sectors.
Part 3: Capacity Building for UBOS

Provision of Training to: (i) UBOS’s employees, including on survey management, data analysis and reporting; and (ii) users, including the private sector, on data analysis and policy making.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by UBOS (“Project Implementing Entity”) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Other Arrangements

Subsidiary Agreement

1. (a) To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity under a subsidiary agreement (“Subsidiary Agreement”) between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank, which shall include the following:

(i) the Recipient’s obligation to provide the proceeds of the Grant to the Project Implementing Entity on terms and conditions satisfactory to the World Bank;

(ii) the Project Implementing Entity’s obligation to carry out the Project with due diligence and efficiency, in conformity with appropriate administrative, technical practices, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers, and in accordance with the provisions of this Agreement and the Operations Manual;

(iii) the Project Implementing Entity’s obligation to carry out the Project in accordance with the Anti-Corruption Guidelines;

(iv) the Project Implementing Entity’s obligation to procure the goods and services required for the Project and to be financed out of the proceeds of the Grant, in accordance with the provisions of Section 2.08 of this Annex, as said provisions may be further elaborated in the Operations Manual;

(v) the Project Implementing Entity’s obligation to furnish all such information as the Recipient or the World Bank shall reasonably request;

(vi) the Project Implementing Entity’s obligation to promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of the Project and the performance of its obligations under the Subsidiary Agreement; and
(vii) the Project Implementing Entity’s obligation to neither take nor concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Agreement.

(b) The Subsidiary Agreement shall include a provision stipulating that in the case of conflict between the Subsidiary Agreement and this Agreement, the latter shall apply.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

2.04. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.06. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.07. Procurement

All goods, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 and August 2018 (“Procurement Regulations”), and the provisions
of the Recipient’s procurement plan for the Project ("Procurement Plan") dated October 25, 2018, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing”, dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, non-consulting services, consulting services, Training and Operating Costs under the Project</td>
<td>320,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>320,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $64,000.00 equivalent may be made for payments made prior to this date but on or after May 29, 2019, for Eligible Expenditures.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is February 28, 2021.

Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the condition specified below has been satisfied:

The Subsidiary Agreement referred to in Section 2.03 of this Annex has been executed on behalf of the Recipient and the Project Implementing Entity.

4.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its
acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

5.01. Recipient's Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance, planning and economic development.

5.02. Recipient’s Address. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance, Planning and Economic Development
P.O. Box 8147 Plot 2-12 Apollo Kaggwa Road
Kampala, Republic of Uganda

Facsimile: 256 41 230163

5.03. World Bank's Address. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391